

FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.26.2010

Wall Street Journal: "Madoff

Investors Brace for Lawsuits ... The court-appointed trustee recovering money for Bernard L. Madoff's victims is preparing a wave of new lawsuits seeking to wrest funds away from investors who also were duped by the Ponzi scheme."

Wall Street Journal: "Banco

Popular Flags Stress-Test Mistake ... Spanish bank Banco Popular Espanol SA said Monday that it had detected a mistake in the stress test conducted by European Union regulators, and that potential losses from real estate assets on its books would be lower than the tests estimated."

Wall Street Journal: "Geithner:

U.S. Should Retain a Mortgage Backstop ... Treasury Secretary Timothy Geithner said Sunday the government should retain "some type" of federal guarantee to ensure that Americans can easily finance home loans, in what could be the latest salvo between the Obama administration and Republicans over the future role of the public sector in the housing market."

Wall Street Journal: "Next

Test for Europe's Banks: Finding Funds ... Now that most major European banks have sailed through their long-awaited "stress tests," they face a stiffer challenge in the months ahead: raising billions of dollars of long-term funding to finance new lending."

Wall Street Journal: "Fan

and Fred and the Problem of Narrative ... To watch President Obama sign the financial reform bill last week was to be reminded of the greatest financial scandal that never was: the collapse of Fannie Mae and Freddie Mac in September 2008, and their subsequent continued existence as money-losing zombie financial companies in the bosom of the federal government."

NY Times: "Warren's

Candidacy Raises a Partisan Debate ... Elizabeth Warren last week won the endorsements of several dozen Congressional Democrats, two of the nation's leading labor groups and her hometown newspaper, The Boston Globe."

NY Times: "The

I.M.F. We Need ... Just a year after the Group of 20 agreed to triple the resources of the International Monetary Fund to \$750 billion, the head of the fund, Dominique Strauss-Kahn, is asking for \$250 billion more to bolster its lending war chest."

NY Times: "Wall

Street Still Doesn't Have a Sheriff ... THE current range of opinion on the Securities and Exchange Commission's \$550 million settlement in the Goldman Sachs fraud suit lines up closely with that evoked by previous S.E.C. settlements with corporate defendants."

USA Today: "Goldman

reveals where bailout cash went ... Goldman Sachs sent \$4.3 billion in federal tax money to 32 entities, including many overseas banks, hedge funds and pensions, according to information made public Friday night."

USA Today: "Pay

czar: 17 big bailed-out banks overpaid execs by \$1.6B ... The Treasury Department's compensation chief said Friday that 17 banks gave their top executives \$1.6 billion total in lavish payments while they were receiving billions of dollars in taxpayer-funded bailouts."

Forbes: "Sam's Club Exposes The Bank Bailout Lie ... Wal-Mart's Sam's Club chain of warehouses recently announced a new banking service for its customers."

The New Yorker: "Blame Games ... he U.S. economy is limping along. The job market is in rotten shape, and business investment is hitting historic lows. And, if you're looking for a culprit for this dismal state of affairs, many businesspeople would be happy to point you to the White House."

Real Clear Markets: "Fed Chairman Bernanke's Jobs Bifurcation ... Last Wednesday Federal Reserve Board chairman Ben S. Bernanke presented the Fed's Semiannual Monetary Policy Report to the Congress. In his remarks on the labor market he noted that "After two years of job losses, private payrolls expanded at an average of about 100,000 per month during the first half of this year, a pace insufficient to reduce the unemployment rate materially."

The Hill: "Geithner hails 'very encouraging' recovery, stresses private growth ... Treasury Secretary Timothy Geithner said the economy was experiencing "very encouraging" recovery, but cautioned that a transition from government intervention to private investment needed to be made to keep recovery going."